

# **HEALTH SERVICES AND DEVELOPMENT AGENCY**

## **MINUTES \***

**December 16, 2015**

### **AGENCY MEMBERS PRESENT**

Johnson, D. Lynn, Chair  
Wright, James, Vice-Chair  
Doolittle, Robert S.  
Burns, Charlotte  
Mills, Thom  
Grandy, Joe  
Ridgway, Corey  
Gaither, Keith, designee for the TennCare Director  
Harding, Jaclyn, designee for the Comptroller of the Treasury  
Jordan, Lisa, designee for the Commissioner of Commerce and Insurance

### **AGENCY MEMBERS ABSENT**

Fleming, Martin, M.D.

### **AGENCY STAFF PRESENT**

Hill, Melanie, Executive Director  
Ausbrooks, Mark, Administrative Assistant III  
Christoffersen, Jim, General Counsel  
Craighead, Alecia, Statistical Analyst III  
Earhart, Phillip, HSD Examiner  
Farber, Mark, Deputy Director  
Finchum, Rhonda, Administrative Officer  
Grimm, Jeff, HSD Examiner

### **COURT REPORTER**

Daniel, April N.

### **GUESTS PRESENT**

Blevins, Glen, VP of Finance, Michael Dunn Center  
Bloomfield, Ted, Director of Facilities, University of Tennessee Medical Center  
Castleman, Scott, Director, Facilities Planning, University of Tennessee Medical Center  
Cole, Nellie Ward, Asbury, Inc.  
Duncan, Bruce, Assistant Vice President, National HealthCare Corporation  
Estes, Linda, THCA  
Felts, Ginna, Business Development, Vanderbilt University Medical Center  
Feinson, Jennifer, Senior Financial Analyst, Asbury Communities, Inc.  
Homik, JP, Legislative Liason, DIDD  
Jacoby, Tim, VP Facilities Operations, University of Tennessee Medical Center  
Jandro, Denise, RN Director, Michael Dunn Center  
Kroplin, Matt, Esq., Burr & Forman  
Lindsay, Dee Ann, VP Day Programs, Michael Dunn Center  
McElhinney, Mike, President, Michael Dunn Center  
McGill, Megan, Director, Decision Support, University of Tennessee Medical Center  
Merville, LaDonna, VP, Hospital Alliance of Tennessee  
Puri, Chris, Esq., Bradley Arant Boult Cummings, LLP  
Reed, Ann, R., RN, BSN, MBA, Director of Licensure, TDH, Division of Health Care Facilities  
Sansing, Trent, CON Director, TDH  
Shonnard, Marjorie, COO, Asbury, Inc.  
Sillyman, Bryce, VP of Emergency, Trauma, & Critical Care, University of Tennessee Medical Center  
Sloan, Theresa, General Counsel/Assistant Commissioner, DIDD  
Swearingen, Travis, Esq., Kramer Rayson, LLP

Taylor, Jerry W., Esq., Burr & Forman  
Thompson, Stan, M.D., Baptist Memorial Healthcare  
Trauger, Byron R., Esq., Trauger & Tuke  
Vetter, Stacia, Assistant Vice President, National HealthCare Corporation

### **ROLLCALL TO ESTABLISH QUORUM**

Mr. Johnson requested roll call to establish quorum.

PRESENT: Jordan, Mills, Gaither, Ridgway, Wright, Doolittle, Burns, Harding, Grandy, Johnson

Ten (10) members present.

### **DIRECTOR'S ANNOUNCEMENTS**

Melanie Hill, Executive Director, made general announcements regarding the following:

- 1) Instructions were provided for those providing testimony on the scheduled agenda items;
- 2) April Daniel and Lisa Beatty have been retained as the new court reporters with Ms. Daniel present today.
- 3) The January meeting currently has 6 applications scheduled for review, February has 9, and March has the possibility of 12;
- 4) In January the Agency will return to its regular fourth Wednesday of the month schedule. The location of the meeting will move to the AT&T Tower at 333 Commerce Street in Nashville since the General Assembly will reconvene;
- 5) Appreciation was expressed for the use of Senate Room 12 and Lieutenant Governor Ramsey's conference room for the past several months. Recognition was also given to Lieutenant Governor Ramsey's excellent staff that epitomizes the very best in customer service.

### **APPROVAL OF MINUTES**

Mr. Johnson presented November 18, 2015 minutes for approval.

Mr. Mills moved for approval of the minutes as presented. Mr. Wright seconded the motion. The motion CARRIED [10-0-0]. **APPROVED by unanimous voice vote**

AYE: Jordan, Mills, Gaither, Ridgway, Wright, Doolittle, Burns, Harding, Grandy, Johnson  
NAY: None

### **STATE HEALTH PLAN UPDATE**

Elizabeth Jones, Assistant Director, Division of Health Planning, Department of Health, presented a brief update as follows:

1. Standards for Psychiatric Inpatient Services and Neonatal Intensive Care Unit Services are being revised.
2. Initial work has begun on the standards for Free-Standing Emergency Departments.

### **CERTIFICATE OF NEED APPLICATIONS**

*Mark Farber summarized the following CON Applications:*

**Asbury Place at Kingsport - Kingsport, (Hawkins County), TN - Project No. CN1508-034**

The modification of the nursing home requiring a capital expenditure greater than 2 million dollars. A new addition includes the construction of a building to house 22 of its existing skilled nursing home beds in a more home-like environment while the remaining 67-bed facility will be renovated into a 45-bed facility. There will be no change in the licensed bed count of the facility or the licensure status of this facility (two buildings, one license). The facility is located at 100 Netherland Lane, Kingsport (Hawkins County), Tennessee 37660, which is on the campus of the existing Continuing Care Retirement Community (CCRC). The estimated project cost is \$7,904,823.

Chris Puri, Esq., and Marjorie Shonnard addressed the Agency on behalf of the applicant.

Previously not speaking but responding to Agency member questions was: Jennifer Feinson, Senior Financial Analyst, Asbury Communities.

Chris Puri, Esq., provided applicant summation.

Mr. Wright moved for approval of the project based on: 1) Need – There is no additional licensed bed impact to the region. No additional beds are requested. The renovation of space in excess of -- in a building in excess of 50 years old and the addition will better meet the demands of today's consumer; 2) Economic Feasibility – The project is economically feasible, met by the demonstration of the approval of the commercial loan; and 3) The project does contribute to the orderly development of adequate and effective health care by providing a new space and renovated space that will provide modern living areas for seniors in the Kingsport and greater Sullivan County area and designed to enhance the quality of life by providing a more home-like environment. Mr. Doolittle seconded the motion. The motion CARRIED [10-0-0]. **APPROVED with an extended expiration date of three years.**

AYE: Jordan, Mills, Gaither, Ridgway, Wright, Doolittle, Burns, Harding, Grandy, Johnson  
NAY: None

**Asbury Place at Maryville, Maryville (Blount County), TN – CN1508-035**

The modification of the nursing home requiring a capital expenditure greater than 2 million dollars. A new addition includes the construction of a building to house 22 of its skilled nursing home beds in a more home-like environment while the remaining 181-bed facility will be renovated into a 159-bed facility. There will be no change in the licensed bed count of the facility or the licensure status of this facility (two buildings, one license). The facility is located at 2648 Sevierville Road, Maryville (Blount County), Tennessee 37804, which is on the campus of the existing Continuing Care Retirement Community (CCRC). The estimated project cost is \$8,192,393.

Chris Puri, Esq., and Marjorie Shonnard addressed the Agency on behalf of the applicant.

Previously not speaking but responding to Agency member questions was: Jennifer Feinson, Senior Financial Analyst, Asbury Communities, Inc..

Chris Puri, Esq., provided applicant summation.

Mr. Wright moved for approval of the project based on: 1) Need – There is no additional licensed bed impact to the region. No additional beds are being requested. Renovation of the space and the addition will better meet the demands of the consumers; 2) Economic Feasibility – The project is economically feasible, met by the demonstration of the approval of the commercial loan; and 3) The project does contribute to the orderly development of adequate and effective health care by providing new space and renovated space that will provide better living space for the seniors of the Maryville area. It's designed to enhance their quality of life and provide a more modern space to provide skilled and short-term rehab care. Mr. Grandy seconded the motion. The motion CARRIED [10-0-0]. **APPROVED with an extended expiration date of three years.**

AYE: Jordan, Mills, Gaither, Ridgway, Wright, Doolittle, Burns, Harding, Grandy, Johnson  
NAY: None

**Michael Dunn Center, Rockwood (Roane County), TN – CN1509-038**

The establishment of a four (4) bed ICF/IID home for four (4) residents located at 313 Michael Dunn Drive in Rockwood (Roane County), Tennessee 37748. The estimated project cost is \$1,438,834.

Mike McElhinney and Theresa Sloan addressed the Agency on behalf of the applicant.

Previously not speaking but responding to Agency member questions was: Glen Blevins, Vice President of Finance, Michael Dunn Center.

Mike McElhinney provided applicant summation.

Ms. Jordan moved for approval of the project based on: 1) Need – The need has been established -- has been created by the exit plan for this federal lawsuit; 2) Economic Feasibility – The project is economically feasible and cash reserves are available and the state funding process for these beds; and 3) The project does contribute to the orderly development of adequate and effective health care, as there currently are not enough beds -- or facilities like this to serve the individuals who have to be moved out of Greene Valley Developmental Center, and it will also provide space for individuals in the future who are on the waiting list. Mr. Grandy seconded the motion. The motion CARRIED [10-0-0]. **APPROVED**

AYE: Jordan, Mills, Gaither, Ridgway, Wright, Doolittle, Burns, Harding, Grandy, Johnson  
NAY: None

**University of Tennessee Medical Center, Knoxville (Knox County), TN – CN1509-039**

The acquisition of an MRI unit at a cost in excess of \$2 million. If approved, the MRI unit will be the 5th unit operated on the main hospital campus under the hospital's license. The estimated project cost is \$3,658,914.07.

Jerry Taylor, Esq., addressed the Agency on behalf of the applicant.

Previously not speaking but responding to Agency member questions were: Scott Castleman, Director, Facilities Planning, University of Tennessee Medical Center and Bryce Sillyman, VP of Emergency, Trauma, & Critical Care; University of Tennessee Medical Center.

Mr. Mills moved for approval of the project based on: 1) Need - currently, they exceed the threshold of 2,880 by 158 percent, so there's definitely an established need; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care by having no impact on the other facilities as they are running 158 percent of the standard procedures. This will provide also efficiency in treating the patients, eliminating long delays in the diagnostic care they're providing. Mr. Doolittle seconded the motion. The motion CARRIED [10-0-0]. **APPROVED**

AYE: Jordan, Mills, Gaither, Ridgway, Wright, Doolittle, Burns, Harding, Grandy, Johnson  
NAY: None

**CONTESTED CASES UPDATE**

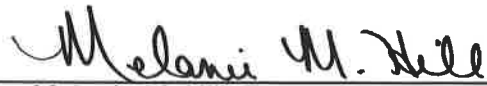
Mr. Christoffersen provided an update on contested cases.

**OTHER BUSINESS**

Mr. Farber provided the Private Duty Home Health Report.

## ADJOURNMENT

There being no further business, the meeting adjourned.

A handwritten signature in black ink, reading "Melanie M. Hill". The signature is written in a cursive style with a horizontal line underneath it.

Melanie M. Hill, Executive Director

- \* Minutes provide only a brief staff summary of the meeting and are not intended to be an all-inclusive report. The HSDA maintains a detailed record of each meeting (recording and transcript) that is available upon request by contacting the HSDA office at 615-7412364.